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December 23, 2019

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

VIA FEDEX

Courtney Avery
Board Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, IL 62702

Re: Annual Progress Report- Lake Behavioral Hospital- HFSRB Project # 17-048

Dear Ms. Avery:

We represent US HealthVest, LLC, V Covington, LLC and V Covington Realty, LLC in connection with Project #17-048, Lake Behavioral Hospital. The Illinois Health Facilities and Services Review Board approved this Project to renovate and expand the facility to a 146-bed AMI facility on January 9, 2018. The facility is located at 2615 West Washington in Waukegan, Illinois 60085. Pursuant to Ill. Admin Code Section 1130.760, please accept the following as our annual progress report.

Current Status of the Project

Through the end of November 2019, the project is 70% complete. The Project scope and size has not changed and remains consistent with the permit issued.

Cost Incurred to Date and Method of Financing

The amount of funds expended on the Project through the end of November 2019 is \$17,564,000. The method of financing and the sources of funds for the Project have not changed since the approval of the Project application. The Project has been and will continue to be funded through the use of cash and debt as indicated in our application. At this stage of construction we are confident that the total project costs at completion will be within the amount approved in the Project permit.

Anticipated Date of Completion

The design work for the project is complete and has been reviewed by the Illinois Department of Public Health Design Standards, Life Safety and Construction Unit ("IDPH"). While there were some administrative delays with obtaining state and local construction permits, we are pleased to report those issues have been resolved. The full demolition and abatement of the old building that will be replaced as part of the facility's expansion has been completed, and

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construction of the new building has already begun. At this time the concrete structure for the new building addition is fully complete. The exterior waterproofing and insulation of the entire new structure is nearly complete and we expect the exterior cladding of the structure to begin next week. Rough mechanical, electrical, plumbing installation is ongoing and the interior drywall and ceiling are also being installed. The roofing of the structure is 90% complete, windows are installed, and we expect that major electrical equipment installation will begin this month.

As a result of the unforeseen delay in obtaining the requisite permits, we determined that a permit renewal request would be appropriate, and timely filed such a request with the Board on July 26, 2019. That permit renewal request was approved by the Board on August 6, 2019. The new project completion date for the Project is October, 1, 2020.

If you should have any questions please do not hesitate to contact me at 312-212-4967 or via email at JMorado@beneschlaw.com; you can also contact my colleague Mark J. Silberman at 312-212-4952 or via email at MSilberman@beneschlaw.com.

Very truly yours,

BENESCH, FRIEDLANDER,
COPLAN & ARONOFF LLP



Juan Morado, Jr.

JMJ